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#### ARTICLES:

(1) Prime minister's statement that it is "not necessary for Mori faction to support one candidate in LDP presidential candidate" creating a stir; Pattern of confrontation between Abe and anti-Koizumi forces becoming clear; Forces outside Mori faction now finding it easier to express support for Fukuda

NIHON KEIZAI (Page 2) (Full)  
May 1, 2006

Commenting on the Liberal Democratic Party's (LDP) presidential election in September to choose his successor, Prime Minister Junichiro Koizumi stated that it would not be necessary for the Mori faction, to which he had belonged before becoming prime minister, to support a unified candidate. His statement meant that faction members Chief Cabinet Secretary Shinzo Abe and former Chief Cabinet Secretary Yasuo Fukuda could both run in the race. The blowback from his statement is still being felt. Though

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his remark has paved the way for Abe to run in the election by checking the move to pick Fukuda as a single candidate, it has also made it easier for anti-Koizumi and Abe forces outside the faction to overtly express their support for Fukuda. The skirmish in the run-up to the LDP presidential election is gradually heating up.

Silence is expression of displeasure

Although it sounded as if the prime minister had encouraged free competition in the presidential election, LDP members have interpreted his remark differently. It is clear that Abe is the person the prime minister has in mind as his successor. Koizumi made his statement on the pretext of avoiding a split in the Mori faction, but by saying so, he seems to have rejected a plan envisaged by former Prime Minister Yoshiro Mori and others who are working to have the faction pick Fukuda as its only candidate. In response to the prime minister's statement backing him, Abe lined up with him: "Factions no longer have a propensity to stand together and go forward with everything in perfect order."

Internal Affairs Minister Heizo Takenaka, who has frequently worked with Abe over economic policy, echoed his remark; "The prime minister's pet argument is that neither elections nor personnel appointments should be handled in terms of factions." Mori has been silent, which is being taken as an expression of his displeasure.

Asked about whether he talked with Mori since he made that statement, the prime minister said the same day, "I have not had contact with him at all."

The prime minister's "recommendation of abandoning a faction-based approach" to the upcoming presidential race has also made it easier for anti-Koizumi and Abe forces other than the Mori faction to voice their views on the election.

Split of Mori faction possible

Commenting on the possibility of the Mori faction splitting over which contender to support-- Abe or Fukuda -- former LDP

Secretary General Koichi Kato pointed out during a TBS TV talk

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show, "I think there is such a possibility." As a campaign issue for the presidential race, he cited Asia diplomacy, including policy toward China, whose relations with Japan have been strained over the prime minister's visits to Yasukuni Shrine, and the social divide, which has widened due to the promotion of structural reforms.

The New Generation's Forum for Cooperation with Asia, a study group of first-term Lower House members, including Masaaki Taira, yesterday held an inaugural meeting, bringing together nine participants. Rumor has it that the group, which advocates the rebuilding of an Asia diplomacy, may try to pave the way for Fukuda, who plays up importance of Asia diplomacy, to run for the race.

Amid a growing confrontation between Abe and Fukuda, Finance Minister Sadakazu Tanigaki and Foreign Minister Taro Aso are increasingly worried that their chances for the prime ministership might sink into oblivion.

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Commenting on the prime minister's statement, Aso during yesterday's conference bluntly noted, "The statement is about the Mori faction. Since it has nothing to do with me, I am not interested in it." Tanigaki also flatly said, "I have no special comment to make."

Yosano's name floated

As a result of the Koizumi statement, anti-Koizumi and Abe forces now find it easier to make their moves, but Fukuda has yet to decide whether to run for the race or not. He will visit the US from May 10 through 18. He plans to meet with former US Ambassador to Japan Baker and other prominent officials to stress his efforts to deal with Asia diplomacy and Japan-US relations. However, some take the view that if Abe announces his decision to run in the race, Fukuda would give up his candidacy.

If the anti-Koizumi and Abe forces find Fukuda has decided not to run despite their efforts to support him, they may be urged to fundamentally review their strategy. Some of them have already begun making statements assuming Fukuda might bow out of the race. Kato noted, "There is an unexpected cabinet minister who is eager to run for the race." As a fifth candidate to counter Abe, the name of State Minister for Financial Affairs Yosano has now been floated.

(2) 2006 LDP presidential race: Junior members supportive of Abe for generational change in party are digging in heels against veteran Fukuda, whose supporters are eager to join party mainstream

YOMIURI (Page 4) (Abridged)  
May 10, 2006

Following Prime Minister Koizumi's indication that the Mori faction would not have to field a single candidate for the LDP presidency, opinion is growing in the faction that both Chief Cabinet Secretary Shinzo Abe, 51, and former Chief Cabinet Secretary Yasuo Fukuda, 69, should both run in the race. Veteran

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LDP members not belonging to the Mori faction are also eager to field Fukuda with the aim of joining the mainstream in the party and avoiding a generational change of leadership in the party. Junior members, on the other hand, are determined to rally around Abe.

LDP Upper House Secretary General Toranosuke Katayama expressed understanding yesterday about Abe and Fukuda running in the race, telling the press conference, "Factional unity is important to many members, but it's difficult to force a decision on all

members."

Former Secretary General Koichi Kato also noted on a TBS program yesterday, "The mentality to produce a single candidate could eventually destroy the party."

There exist other views in the party.

A senior Tsushima faction member supportive of Fukuda indicated that Fukuda has a chance to defeat the nationally popular Abe, noting: "If the Tsushima faction teams up with pro-Fukuda forces in the Mori faction and the Yamasaki faction, Fukuda can beat Abe. Every faction has to face the Upper House election next year, so there is no need to pick someone who will only become a

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'poster boy' for that poll."

The Niwa, Koga, Ibuki, and other factions tilted toward Fukuda are planning to join the mainstream by joining forces in the name of rebuilding Asia policy. But some members still think that Fukuda may not seek the presidency even if former Prime Minister Mori gave up the idea of fielding a single candidate, because he is not the type of person who comes forward voluntarily.

Meanwhile, a junior Abe supporter predicted: "Mr. Abe will run in the race no matter what, setting off a struggle between veteran and junior members rather than a fight among factions."

A battle between Abe and Fukuda could split not only the Mori faction but also other factions. Executive members of the Ibuki and the Niwa-Koga factions are planning to hold a meeting shortly to exchange views.

(3) Ozawa ends silence on education, US force realignment

ASAHI (Page 4) (Full)  
May 10, 2006

Since assuming his present post, Minshuto (Democratic Party of Japan) President Ichiro Ozawa had not spoken on key policies while giving priority to unifying views in his party. But he opened up in a press conference yesterday. He stressed the need to reflect local identity in education and also criticized the government's lack of explanation regarding role-sharing between Japan and the US in realigning US forces in Japan. By underscoring points of contention, he indicated his determination to thoroughly fight the ruling camp in the final stage of the current Diet session.

In the remaining Diet session, the focus of discussions will be on a bill amending the Fundamental Law of Education. Ozawa had refrained from commenting on the bill, only saying: "Unifying views in the party is my top priority." In the press conference, however, Ozawa lashed out at the government's draft bill that included the expression "an attitude that respects our nation and homeland," saying:

"Just because such words as 'patriotism' and 'love' are mentioned, people do not love the nation in a real sense. It is more important to consider how to build a society that can foster independent individuals, as well as love for their nation and homeland."

Ozawa also touched on education and called for a review of the education board system. He said: "It does not stand to reason that neither the central government nor local governments take responsibility for compulsory education." He added: "The government should allow local governments to assert their identity and independence more in the contents of education." He thus stressed that the focus in educational reform should be on reviewing the current centralized system.

The largest opposition party has decided to finalize its own proposals to counter the government's draft bill amending the Fundamental Law of Education this week. Ozawa's remarks will

contribute to setting the direction of the party.

Ozawa voluntarily took up the issue of US force realignment at

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the outset of the press conference and said:

"Japan's share is not the problem. The serious problem is that the government, while being unable to explain to the people Japan's role in national security and future options for role-sharing between Japan and the US, is being asked to use taxpayer money to pay a share of the realignment cost. I am poised to grill the Koizumi government for its stance and conduct a heated debate in the final stage of the session."

(4) Kakushin (Matter of Heart) column - Positions of LDP, New Komeito, DPJ about constitutional revision far apart over Article 9

TOKYO SHIMBUN (Page 3) (Almost full)  
May 3, 2006

Hidehiro Honda

The Constitution of Japan will today mark its 59th anniversary. The ruling Liberal Democratic Party (LDP) and the opposition Democratic Party of Japan (Minshuto or DPJ) put their thoughts into shape as "a draft of a new constitution" and "a set of proposed amendments to the Constitution" respectively. The New Komeito plans to unveil possibly in October its constitutional proposals to beef up the current Constitution. Debates on constitutional revisions are reaching a turning point. We examine the positions of these three parties about constitutional revisions.

Basic policy

The LDP is an advocate for rewriting the Constitution. Last October, it drafted a new constitution by adding drastic revisions to the current Constitution.

Keeping in mind the criticism that the current Constitution was imposed by the United States on Japan, the LDP stated in the preamble of its draft, "We, the Japanese people, as sovereign and based on our will and determination, will establish this constitution as a self-imposed one with these words, 'We, the Japanese people, based on our will and determination, and as sovereign, do establish this constitution.'"

The LDP's draft retains the Emperor as the symbol of the state and respects the so-called three principles: sovereign power that resides with the people, pacifism, and basic human rights. Characteristic of the draft is that the prime minister's authorities are enhanced in this way: "The prime minister directs and supervises all administrative offices and serves as a comprehensive coordinator." The draft also eases the requirement for constitutional revision from "two-thirds or more" of all the members of each house of the Diet to "a majority."

Minshuto, based on its set of proposed amendments to the Constitution already released, intends to draft a new constitution by the end of next year. In its constitutional revisions, it says, "We will boldly establish a future-oriented conception of the constitution."

As the basic goals of the new constitution, Minshuto cites building a new society in which sovereignty rests with the people and remaking Japan into a state conscious of environmental

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conservation and peace-making.

The New Komeito insists that in order to meet the changing times, the current Constitution needs to be modified with the addition

of new provisions. The party plans to unveil a set of new proposals in October. According to them, the party will retain the current Constitution almost as is but will add new ideas like human security, which is meant to protect human life, livelihood, and dignity.

#### Right to self-defense

The three parties' positions are far apart over how to treat Article 9, as everyone has expected.

The LDP in its draft keeps the first paragraph of Article 9 as is, but it rewrites the second paragraph to stipulate that Japan will possess a Self-Defense Military to "ensure the peace and independence of the country, as well as the safety of the country and its people." The draft does not mention the right to collective defense, but the party says Japan can exercise it. It also states that Japan should make international contributions to secure world peace and safety.

The LDP's draft allows Japan to use armed force abroad but shies away from mentioning specifics, noting that the criteria for the use of armed force and the sphere of activities using armed force will be determined by a Basic Law on Security Affairs and other legislation.

Minshuto makes clear Japan's possession of the right to self-defense by pointing out the need to review Article 9. It allows Japan to take part in UN-led multilateral forces and UN peacekeeping operations, but it has yet to draw a conclusion about whether to allow Japan to use armed force abroad.

Party President Ichiro Ozawa has indicated that under the current Constitution, Japan is allowed to use armed force abroad if Japan takes part in activities led by a multinational force organized under a UN resolution.

In the recent party presidential race, Ozawa, giving consideration to some party members cautious about using armed force abroad, adopted softer language, saying, "There is a need to establish UN-centered security principles." How the party will form a unified view about this matter in the future remains to be seen.

The New Komeito states that both paragraphs of Article 9 should be kept as is, and it is continuing discussion on whether to create a third paragraph to stipulate the existence of the Self-Defense Forces (SDF) and international contributions. The party's position about the right to collective defense is "not to allow Japan to exercise it," according to Akihiro Ota, chair of the party's Research Council on the Constitution.

#### Provisions on duties and obligations

The LDP and Minshuto both add environmental rights, the right to privacy, and the rights of crime victims to the current Constitution. The New Komeito, as well, will release its constitutional proposal dealing with similar rights.

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The LDP's draft stipulates "people's responsibilities" thusly: "Responsibilities and duties follow freedom and rights." Minshuto, emphasizing respect for the dignity of human beings as the basis of its policy, stipulates common responsibilities to deal with common tasks facing society, such as environmental conservation.

The Japanese Communist Party and the Social Democratic Party are opposed to constitutional revisions, arguing that it is possible to deal with things under the current Constitution without adding new rights to it.

(5) Poll: 42% want Constitution's Article 9-1, 9-2 left intact, 43% want both paragraphs rewritten or amended in part

Prior to May 3 Constitution Day, the Asahi Shimbun conducted a nationwide public opinion survey on the Constitution of Japan. In the survey, respondents were asked if they thought the nation's postwar constitution should be amended on the whole. In response to this question, "yes" totaled 55%, leveling off from 56% in last year's survey. In the meantime, "no" totaled 32%, likewise flat from 33% in the last survey. Respondents were also asked if they thought Article 9-1, which renounces war, and Article 9-2, which stipulates Japan's maintenance of no war potential, should be amended. In response, "no" totaled 42%, with "yes" at 43%. In the breakdown of "yes" answers, 18% wanted both paragraphs to be amended, with 9% wanting only Article 9-1 to be amended and 16% wanting only Article 9-2 to be amended.

The survey was conducted April 15-16 on a face-to-face basis, with a total of 3,000 persons sampled out of the nation's voting population.

The Diet, in its current session, focuses on a national referendum bill to stipulate procedures for amendments to the Constitution. In the survey, 53%, or a majority of the nation, said there is no need to do so before constitutional revision is debated to the full. As seen from the figure, the greater part of those polled remained cautious about revising the Constitution. In the meantime, the proportion of those thinking it better to do so was no more than 32%.

The same question has been asked in the previous surveys since 1997 about the advisability of constitutional revision. "Yes" accounted for 46% in 1997, 47% in 2001, 53% in 2004, 56% in 2005, and 55% in the latest one, while "no" respectively accounted for 39%, 36%, 35%, 33%, and 32%. "Yes" topped 50% in the past three surveys. In the latest survey, however, it stopped increasing. Those who answered "yes" were further asked if that was because they wanted to change Japanese society substantially. In response to this question, 38% answered "yes," with 57% saying "no." This shows that those in favor of constitutional reform would like to have the Constitution meet the present state of Japan, instead of hoping to change Japan with constitutional reform.

(6) US consul general: Okinawa's proposed plan for constructing temporary helipad "is not sufficient"; Urges quick action to construct V-shaped airstrips

YOMIURI (Western Japan version; inside page) (Full)

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May 10, 2006

US Consul General Thomas Reich in Okinawa Prefecture, yesterday responded to an exclusive interview with the Yomiuri Shimbun at the US Consulate General in the Urasoe City, Okinawa. In the interview, when asked about Okinawa Prefecture's recently proposed plan to construct a temporary helipad in connection with the relocation of the US Marine Corps Futenma Air Station in Ginowan City, Reich stated: "That plan differs from what Japan and the United States have agreed on. I don't think the two governments will modify what they have agreed upon." He was the first US government official to express a view about the Okinawa prefectural government's proposed plan to construct a temporary helipad at a coastal area of Camp Schwab in Nago City.

Reich stated: "The four heads of neighboring municipalities, including the mayor of Nago City, have given their approval to the relocation of the Futenma airfield to Camp Schwab. The Okinawa prefectural government's plan lacks a runway (necessary for training), and it does not appear to be a good proposal in the eyes of the US government." From the standpoint of maintaining deterrence and removing the hazardous nature of the Futenma airfield from its neighborhood, he indicated the need to quickly construct two V-shaped airstrips on a coastal area of Camp Schwab as agreed on between Tokyo and Nago City.

The consul general described the final report on the realignment of US forces in Japan the Japanese and US governments had recently agreed on as being significant, and underscored: "It came out in good shape in terms of strengthening the Japan-US alliance and in view of the global situation." Reich himself had interviewed heads of municipalities and experts in the prefecture over the past two years and found that they have been strongly interested in: 1) troop reduction, and 2) an early return of the Futenma airfield to Okinawa. Citing these two desires, Reich said, "These two things desired by most people will shortly come true, so I believe we can obtain understanding from the people of Okinawa."

Reich also referred to other relocation plans, for instance, the planned transfer of jet fighter training now carried out at Kadena Air Base in Kadena Town to somewhere in the Japanese mainland and stated: "The transfer plan will bring troops to locations where they have never stayed. I hope people in those areas will open themselves to US troops and welcome them."

(7) US force realignment settled through defense chiefs' talks;  
"Real water" demonstrates transformed Japan-US alliance

NIHON KEIZAI (Page 2) (Full)  
Evening, May 9, 2006

By Hiroshi Maruya, Washington

A somewhat nostalgic expression cropped up in Japan-US talks on US force realignment, which was settled recently. US President Ronald Reagan had called it "real money." In his talks with Defense Agency Director General Fukushima Nukaga, US Defense Secretary Donald Rumsfeld referred to it as "pure money." He was

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talking about "real water," or direct fiscal outlays. The emergence of such an expression demonstrated the transformation of the Japan-US alliance.

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The United States frequently used the expression "real water" in seeking greater Japanese demand during the 1980s. Japan also often used it in explaining the scale of its economic measures in the late 1990s.

During the Gulf War in 1991, Japan decided to extend an additional 9 billion dollars to the US-led multinational force through talks between Finance Minister Ryutaro Hashimoto and US Treasury Secretary Nicholas Brady. In those days, the result-oriented America's basic perception was that it had to deal with the Finance Ministry and the largest faction in the Liberal Democratic Party (which happened to be the Takeshita faction at the time) in talks with Japan on any subject involving "money."

Those days are over. Prime Minister Junichiro Koizumi left negotiations with Washington on US force realignment, including the cost of relocating Okinawa-based Marines to Guam, entirely to Nukaga, leaving Washington somewhat apprehensive. But Washington's skepticism vanished the moment the Defense Agency struck a deal with Nago to construct two runways in a V shape to replace Futenma Air Station.

"Nukaga-san, do you have more magic?"

"I will do it."

The conversation took place between US Ambassador to Japan Thomas Schieffer, who served as a bridge between Tokyo and the Bush administration, and Nukaga at the ambassador's residence in Tokyo. Giving a positive assessment of Nukaga's leadership that produced results on the deadlocked Futenma relocation issue, the US opted to deal with Japan's defense chief, who was not a member of the Mori faction, the largest in the LDP.

Rumsfeld, a former CEO of a leading US firm, is severe when it



comes to figures. Rumsfeld held talks with Nukaga on April 23 in which he insisted for the first three hours that Japan bear 75% of the cost. Nukaga refused to give in.

After three breaks, Rumsfeld finally said: "It's pointless to continue our talks today. I'm willing to go to Tokyo to pick up where we left off today." This prompted Nukaga to present a compromise plan. They reached an agreement only half an hour later.

The political settlement by the two defense chiefs carries significance transcending the fiscal realm.

The Foreign Ministry played a central role in reviewing the Japan-US security setup in the late 1990s. But the ministry's involvement in the force realignment negotiations was minimal, as talks centered on technical matters, beginning with military operations.

The Japan-US Security Consultative Committee meeting (two-plus-two) held on May 1 served as a venue to confirm the agreement reached between Nukaga and Rumsfeld. Gone are the days when the Self-Defense Forces' "shopping plans" and the interpretation of the US-Japan Security Treaty were synonymous with security debates. Policy, military operations, and fiscal disbursement are becoming a single matter.

The presence of the LDP, the Foreign Ministry, and the Finance

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Ministry playing minor roles in the negotiation process tells that the Japan-US alliance has entered the third phase following the Cold War and the post-Cold War era.

(8) Japan to reject China's proposal for joint natural gas exploration near Senkaku Islands during gas exploration talks to be resumed next week

SANKEI (Page 3) (Full)  
May 10, 2006

The government yesterday decided to formally refuse China's proposal made during the senior level talks of Japanese and Chinese officials for joint gas exploration in waters around the Senkaku Islands, which are Japan's territory. Japan will announce this decision to China during senior level talks of the two countries to be resumed in Tokyo next week. In the talks, Japan will again urge China to accept Japan's joint natural resource development proposal covering four oil and gas fields around the median line, which has already been presented to China. Negotiations, however, are certain to take much time to be finalized.

In the last senior level talks of Japanese and Chinese officials held in Beijing March 6-7, China proposed a joint development in two water areas: one that is on the northern side of the Senkaku Islands and is close to Japan's territory and within its exclusive economic zone (EEZ), and the other that is on the northern side of the Asunaro (Longjing in Chinese) oil and gas field adjacent to the Japan-South Korea joint continental shelf development zone and is within Japan's waters from the median line.

According to a senior Foreign Ministry official, there is the concern in the government that "China, which claims the Senkaku Islands, is apparently using a gas and oil joint development proposal to shift attention away from the territory issue." There was also an objection in Japan to China's proposal for joint development on the Japan-South Korea joint continental shelf development zone, with a Foreign Ministry official arguing: "The proposal includes only the sea area on the Japanese side from the median line."

In the talks of senior officials from Japan and China held in Tokyo last fall, the government proposed jointly developing four gas and oil fields - Shirakaba (or Chunxiao in Chinese), Kashi

(or Tianwaitian), Kusunoki (or Duanqiao), and Asunaro (or Longjiang) - and presented a joint development project aimed at investing in, for instance, mining facilities already constructed by China and urged China to stop its oil and gas exploration now being carried out in waters around the median line, but China rejected Japan's proposal.

China has already set in motion production in Kashi and has Shirakaba ready to begin production. Its Pinghu oil and gas field, about 70 kilometers away from the Japan-China median line and within China's waters, provides oil and natural gas to such areas as Shanghai via undersea pipelines. In preparation for increasing demands, China is expanding this oil and gas field and installed a new mining facility in it in mid-March. There is even an observation that China will soon start mining works in the Shaoxing oil and gas field located in the water area dozens kilometers north from that field.

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In Japan, the government has granted the gas exploration rights to Teikoku Oil Co., Ltd., but the firm has yet to decide to launch gas exploration and it instead intends to continue negotiations with China. As it stands, the fear now emerging in Japan is that the East China Sea will literally become the sea of China, given that a number of Chinese mining facilities will be built there and thereby apparently allowing China to determine the fate of Japan's lifeline sea lanes.

(9) Leading Japanese, European manufacturers to develop Indian market, based in ASEAN, using FTAs and production facilities there

NIHON KEIZAI (Top Play) (Excerpts)  
Evening, May 10, 2006

(Singapore, Reporter Kiyoshi Noma: Bangkok, Reporter Hisatsugu Nagao)

Leading manufacturers of Japan, South Korea and Europe have begun using member nations of the Association of Southeast Asian Nations (ASEAN) as bases for exports to India. This is because ASEAN member nations can now exports goods to India at low tariff rates because of a free trade agreement (FTA) they have signed with that nation. Some companies have started expanding their export bases in Singapore. Southeast Asia has originally strong ties with Japan, the US and China, but now it will likely speed up efforts to construct export bases with an eye on the Indian market.

Toshiba began exporting refrigerators and washing machines manufactured at its plant in Thailand to India. It is now looking into the possibility of exporting electric rice cookers to that nation. Matsushita Electric Industrial Co. is exporting Braun tubes to India from Thailand. NEC began full-scale exports of semi-conductors manufactured in Singapore from 2005.

South Korea's Samsung Electronics is supplying microwave ovens made in Thailand to the Indian market. The TCL Group, China's leading electric appliance manufacturer, has characterized exports of CRT-based televisions to India as a key agenda item, as President Ceng Chun-xin of its Thailand-based affiliate put it.

Novartis, a prominent Swiss pharmaceutical company, plans to export pharmaceutical products produced in Singapore to the Indian market as early as 2008. It is now constructing a plant in Singapore to manufacture medicines for high blood pressure and cardiac diseases, by investing approximately 180 billion dollars.

One reason for those companies have chosen Southeast Asia as their bases for exports to the Indian market is that they have multilevel production facilities starting from the manufacturing of parts to assembly due to investments made by Japanese, European and US companies over the past two decades. Since China is now beginning to serve as a plant for the world, many

companies in Southeast Asia have spare productive capacity. These plants aim to raise their operation rates.

FTAs are also a major factor for those company having chosen ASEAN. Thailand and India scrapped tariffs on 82 items as an early implementation measure in September 2004. Singapore and

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India had an economic partnership agreements (EPA) put into effect in August 2005. Tariffs on refrigerators and Braun tubes will be scrapped over four years, starting with a 10% cut.

The moves are beginning to produce results. Since last October Sony has exported CRT-based televisions that lay emphasis on low pitch sound to India. It has sold more than 40,000 sets over six months. It produces Braun tubes in Singapore and assembles them into finished products for exports to India at its Thai plants. The destination of approximately 60% of Sony's CRT-based televisions is India.

(10) Income survey; Widening disparity in 30-49 age bracket; Gini coefficient rose 30% between 1987 and 2002

TOKYO SHIMBUN (Page 1) (Slightly abridged)  
May 9, 2006

Research conducted at the National Social Security and Population Issue Research Center, whose director is Yoshihiro Kaneko, discovered on May 7 that the Gini coefficient **ASTERISK** for men and women in the 30-49 age bracket has risen about 30% over a 15-year period ending in 2002. The research re-calculated data collected in income distribution surveys by the Ministry of Health, Labor and Welfare (MHLW).

Income disparity widened among elderly people aged over 60. Though the disparity in this age bracket was substantially narrowed in terms of redistributed income added with pensions, no such improvement was seen among those in the 30-49 age brackets even after tax cuts and social security benefits are taken into account. It has been pointed out that disparity among working generations could further widen in the future. How to deal with the widening income disparity will likely become a domestic issue.

Concerning income disparity, the Cabinet Office released this view in January: "Income disparity has seemingly widened due to an increase in elderly households. It is not possible to determine the actual widening of disparity from statistics." The MHLW has pointed out the widening wage disparity in the outline of the 2006 Labor and Economy White Paper, showing differences in the perception of the present state among government officials.

The center re-calculated data obtained through income redistribution surveys carried out in 1987, 1993 and 2002 and compared the statistics by gender, age, using 5-year increments, and income brackets. The MHLW carries out such a survey every three years and release the results, after tallying data by household.

The comparison found that in terms of before tax income that does not include social security benefits, the Gini coefficient for men aged between 30 and 49 rose 10.2-29.6% and that for women aged between 30 and 44 rose 9.8-23.3%. The Gini coefficient for men aged between 35 and 39 jumped 29.6%. The disparity markedly widened among both men and women since 1993, the year when the bubble economy burst.

Those of men aged over 65 and women aged over 60 also increased, but pension benefits improved their income disparity.

**ASTERISK** (TN: for a definition, see:

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[http://en.wikipedia.org/wiki/Gini\\_coefficient](http://en.wikipedia.org/wiki/Gini_coefficient))

(Corrected copy) Construction of Futenma alternative facility will cost over 300 billion yen, 100 billion yen less expensive than Henoko offshore plan

YOMIURI (Page 1) (Excerpts)  
May 10, 2006

An outline of the plan to build an alternative facility for the US Marine Corps' Futenma Air Station at the coastline of Camp Schwab in Nago, Okinawa Prefecture, became clear yesterday. The facility will occupy a total space of 180 hectares. Of it, about 20% will be built on the land portion of the base with the remaining 80% on reclaimed land. The alternative facility is expected to be completed by 2014 at a cost of 300 to 350 billion yen -- 100 billion yen less than the previous Henoko offshore plan. The government plans to determine the plan in detail by the summer based on talks with the Okinawa and Nago municipal governments to begin environment assessment procedures in the fall.

The US force realignment final report, released on May 1, specified the construction of two runways in a V shape measuring 1,600 meters each and 1,800 meters in total including the overruns.

It also became clear that reclamation would cost 200 billion yen and that the construction of such facilities as the runways, apron, aircraft hanger, and the relocation of existing facilities from Camp Schwab to the training range would come to over 200 billion yen.

SCHIEFFER